Environmental Water Account
Supplemental Discussion

Purpose. The purpose of this paper is to review the components of water project operational flexibility as components of an Environmental Water Account. Discussed below are the regulatory "Foundation Level of Protection" or regulatory baseline, description of operational flexibility measures that could be EWA components, and the relationship between these measures and the target/goal for the EWA amount.

Foundation Level of Protection. The Federal/State discussions have centered on providing a "baseline" level of environmental protection based on regulatory actions. Discussions regarding the "baseline" or Foundation Level of Protection (Foundation) have arrived at three components:

- ✓ 1995 Bay-Delta Water Quality Control Plan
- ✓ CVPIA "b2" implementation plan as may be modified (still under discussion)
- ✓ Federal Trinity River reallocation decision, with a phased implementation plan (also still under discussion)

SWP and CVP operations in the Delta have long utilized operational flexibility to provide supplemental fisheries protection at "no net loss" of water supplies beyond those allocated via regulatory actions. It is this concept of "no net loss" to provide supplemental environmental benefits that forms the philosophical basis for an Environmental Water Account.

Operational Flexibility Measures and the EWA. The EWA goal/target is a long-term average annual amount of 300-400,000 acre-feet. This range is based on a series of computer modeling simulations conducted in early 2000 that used as the primary EWA tool the ability to cut SWP and CVP Delta exports at fish-critical times. Since EWA success is generally measured by the ability to cut exports, this does not necessarily translate into a need to acquire the full amount. "No net loss" operational measures accomplish the desired export reductions without water costs. Hybrid actions could also be possible wherein backstop water purchases can be set up via purchase options to cover any true water costs.

Examples of operational measures include:

1. Pumping an additional 500 cfs in July, August and September above normal regulatory limits for the specific purpose of either storing EWA water or paying back the SWP/CVP for earlier compensable EWA actions.

2. Implement flexible standards (such as the long-supported Export/Inflow variable standard) for EWA storage and/or payback.

3. Consider modifying other regulatory limits to support the EWA, under conditions where SWP/CVP operations are controlled by such limits rather than physical capacity.

Determining the EWA Goal/Target: the Relationship to Operational Flexibility Measures. The modeling that resulted in an EWA goal/target of an annual amount of 300-400,000 acre-feet was a credible technical attempt. Nonetheless it is an imperfect measure of the amount of water that may be needed to achieve fisheries species recovery, recognizing that such recovery – or significant progress towards recovery – will depend on the success of the widely heralded "world class" ecosystem restoration program (ERP). Given the large effort required for the modeling, not all possible combinations of actions were represented.

Review of modeling assumptions has revealed that some of the operational flexibility measures were assumed to be in place already before an EWA was assumed to be created. It appears that such measures were used for both water supply augmentation and "no net loss" environmental improvements. Thus it is not appropriate to rely on the EWA modeling results for anything but "ballpark" results.

This has raised the issue as to whether certain SWP/CVP operational flexibility measures should be part of the "baseline" or part of the EWA. A fundamental underpinning of the "baseline" concept is that it is the regulatory limit on the amount of water to be reallocated from water users to the environment. Thus operational flexibility measures – such as the ones described above – need to be essential components of an EWA. In fact, due to their inherent low costs and control by two of the CALFED implementing agencies, it is prudent an essential that they be fundamental EWA components.

D-060407